

In coming
M/037/0006
CC: Tom

From: Jay Morris
To: Rusty Ruby; Sarah Fields
Date: 6/21/2011 3:03 PM
Subject: Re: Denison Mines (USA) Corp. La Sal Mines Complex: Approval Order DAQE-AN0141510002-09

CC: Jeffrey Smith; Maung Maung; Paul Baker; Rebecca Doolittle
Sarah:

Denison Mines currently has an active notice of intent to modify the La Sal Mines Complex filed with the DAQ. The project is in the modeling phase right now. The permit engineer assigned to this project is Maung Maung and if you have questions about the permitting process, he would be the man to contact. His phone number is 801-536-4153 and his email address is mmaung@utah.gov.

The La Sal Mine complex has been targeted for inspection by our minor source compliance section during this federal fiscal year which ends on September 30, 2011. A compliance inspection will be performed based on current regulations which include the 2009 Approval Order mentioned below and 40 CFR 61 Subpart B. We will also investigate the operation of the La Sal Mine during the compliance inspection. We will provide you with a copy of our inspection report when it is completed.

Thank you.

Jay Morris, Manager
Minor Source Compliance Section
Compliance Branch
Utah Division of Air Quality
801-536-4079
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>>> On 6/20/2011 at 3:45 PM, in message <C560CBCA-5D27-4A54-9952-14EC8636536A@uraniumwatch.org>, Sarah Fields <sarah@uraniumwatch.org> wrote:

Dear Mr. Ruby,

In October 2010, Denison Mines (USA) Corporation (Denison) submitted a Notice of Intent to Modify the La Sal Mines Project Approval Order. This request would modify Approval Order DAQE-AN0141510002-09, approved by the Utah Division of Air Quality (DAQ) on October 26, 2009. To the best of my knowledge, the DAQ has not approved the October 2010 request to Modify the Approval Order. I would expect that the modification request would be made available for public comment.

One of the purposes of the request to Modify is to incorporate the operation of the La Sal Mine into the 2009 Approval Order. Denison proposes a number of changes to their Notice of Intent with respect to the La Sal Mine operation. Prior to this submittal, Denison did not include the operation of the La Sal Mine in the ore removal operations for the La Sal Mines Complex.

In the May 22, 2008, Notice of Intent, Denison stated:

"Mine production is planned for only the Pandora Mine and the Beaver Shaft, while the other two mine areas

[La Sal Mine and Snowball Mine] will be used for maintenance activities." Page 2-1.

The October 2009 Approval Order, at Section II.B.1.b. states the ore production limits

for the Beaver Shaft
and Pandora Mine, but not for the La Sal Mine.

However, based on verbal statements by Bureau of Land Management staff persons and my own personal observations during a visit to the Pandora and La Sal Mines on June 3, it appears that Denison is already operating the La Sal Mine. Denison is removing ore from the La Sal Portal and is placing waste rock on the La Sal Mine waste rock pile(s). Equipment is moving about on-site in association with these La Sal Mine operations.

Based on the May 2008 NOI and October 2009 Approval Order, it does not appear that Denison has previously requested and received an Air Quality Approval Order for the La Sal Mines Complex that includes the active operation of the La Sal Mine.

Therefore, I would like to know why Denison is being allowed to operate and produce ore from the La Sal Mine prior to receiving the DAQ's approval of the modification of the La Sal Mines Complex Approval Order in response to the 2010 NOI to Modify.

If Denison is being permitted to operate the La Sal Mine prior to the modification of the Approval order, I would like to know the regulatory basis for that permission.

If Denison does not have the DAQ's permission to operate without a modified Approval Order, I would like to know what action the DAQ intends to take.

Thank you,

Sarah Fields
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